

# YEAR-END REPORT

SEPTEMBER 2018 - AUGUST 2019



## SUMMARY, SEK MILLION

	3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
	2018/19	2017/18	2018/19	2017/18
Revenue	109	184	2,676	2,536
Operating income	111	184	2,688	2,548
Profit/loss before tax	-249	-166	553	587
Profit/loss after tax	-206	-117	460	486
Earnings per share, SEK	-2.57	-1.43	5.95	6.25
Cash flow from operating activities	-196	-131	722	679
Operating margin, %	neg	neg	22	24
Equity/assets ratio, %	51	50	51	50

## AN EXCELLENT WINTER SEASON BEHIND INCREASED REVENUE - GREAT OPTIMISM FOR THE COMING SEASON!

### Fourth Quarter

- Revenue for the fourth quarter was SEK 109 (184) million, a decline of SEK 75 million (40 percent) compared with the previous year.
- Profit after tax was SEK -206 (-117) million, a decline of SEK 89 million (76 percent) compared with the previous year.
- Earnings per share amounted to SEK -2.57 (-1.43), a decline of 79 percent.

### Full Year

- Revenue for the financial year was SEK 2,676 (2,536) million, an increase of SEK 140 million (6 percent) compared with the previous year.
- Profit after tax was SEK 460 (486) million, a decline of SEK 26 million (5 percent) compared with the previous year.
- Earnings per share amounted to SEK 5.95 (6.26), a decline of 5 percent.
- The Board of directors proposes a dividend of SEK 3.50 (3.50) per share, totalling SEK 274 (274) million.

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# YEAR-END REPORT

SEPTEMBER 2018 - AUGUST 2019



## COMMENTS FROM THE CEO

We have yet another excellent financial year to look back on. Compared with the previous year, it is worth noting that last year's weather conditions were fantastic, enabling us to increase the number of skier days by a massive 7.5 percent. Considering this, we are very pleased with this year's results too!

It is particularly pleasing that our core business – SkiPass sales – increased by SEK 55 million (4.1 percent compared with the previous year). However, the total revenue increase of SEK 140 million is due to growth in several business areas.

Exploitation is a part of our operations – we develop and sell plots for the construction of private holiday homes, we build and sell tenant-owner apartments, we sell weekly units via our Vacation Club holiday concept and we also produce commercial accommodation. These activities are conducted within SkiStar Living and contributed capital gains of SEK 189 million during the year. This is a welcome result, but it also provides the opportunity to attract more skiers who fill the new beds next to our skiing areas!

Bookings for the 2019/20 winter season are better than at the same time the previous year. We see the highest growth in the foreign markets (notably Denmark and Germany), which is in line with our strategy to increase the number of foreign guests at our destinations.

The number of registered members of SkiStar's MySkiStar customer club continues to rise and is now over 889,000.

We have much to look forward to next season. The main reason is that we continue to invest in our business in order to further develop our ski product. Beyond that, of course, we look forward to the official opening of Scandinavian Mountains Airport, located between Sälen and Trysil, on 21 December. SkiStar is one of 33 shareholders of the airport. During this first season for the airport, we look forward to meeting new skiers, not just from Sweden but also from Denmark and the UK, who will land at the airport a mere 10 minutes from Hundfjället in Sälen.

Over the last year, we have worked hard to define goals for the Company's sustainability work. We have the potential to be a leading

operator in the alpine mountain tourism industry in terms of sustainability and in this way, we can also inspire others. For us, it is crucial to protect the unique environment we work in and we want to help give more people the same opportunity in the future.

My employment with SkiStar ends on 30 November, so this will be my last Comments from the CEO. We will let you know sometime this autumn who I will pass the baton on to. I can say that SkiStar has a stronger position today than ever before. Not only financially, but also with well-established goals and strategies. The Company has a management with all the opportunities and attributes needed to continue developing the fantastic company that I have had the privilege of leading for 17 years as CEO.

I wish all employees good luck in the future!

Mats Årjes  
Chief Executive Officer

## SIGNIFICANT EVENTS DURING THE FOURTH QUARTER AND AFTER THE END OF THE PERIOD

### Fourth Quarter

11/06/2019

#### Growing interest from abroad for ski holidays at classic Sälen

Traditional ski resort Sälen, which Swedes have flocked to since the 1960s, is beginning to generate serious interest from foreign tourists. During the past winter, tourism from abroad to SkiStar's facilities in Sälen increased by 21% compared with the previous year, according to SkiStar's booking statistics for the number of object nights booked by foreign guests (Danish guests excluded, however).

26/06/2019

#### Great demand for skiing holidays from Danes: 9% increase already

Interest from Danes in booking their skiing holiday early is at a record high. With numbers of Danish skiing guests at SkiStar's resorts increasing last winter, interest continues to rise. Danish bookings on skistar.com are already 9% higher than at the same time last year according to SkiStar's booking statistics for guests from Denmark in winter 2018/19 compared with the same period in 2017/18 and booking statistics from 26 June 2019 for the coming winter compared with the same time last year.

12/08/2019

#### SAS launches flights from Denmark and the UK to the new airport between Sälen and Trysil

SAS is investing in Sweden and Norway's largest ski resorts, Sälen and Trysil, by launching three routes as soon as the new airport is officially opened in December. On 28 December, the first British passengers will land at the new Scandinavian Mountains Airport, followed by Danish visitors from both Copenhagen and Aalborg the very next day. Both the Danish and UK markets are important and show growing positive trends.

19/08/2019

#### Attractive employer for young people goes on recruitment tour

Looking for work in the Swedish and Norwegian mountains is a popular trend, and recruitment of new employees for this winter is currently in progress. A new concept this year is to find new winter employees by visiting selected cities. Tour operator SkiStar has provided work for more than 11,000 young people ages 18 to 24 over the last 10 years and receives thousands of new applications every year.

29/08/2019

#### SkiStar takes the first step towards electrifying its snowmobile fleet

During the 2019/20 season, SkiStar will initiate a partnership with the Canadian snowmobile company Taiga Motors. SkiStar will initially buy two

electric snowmobiles for test driving in the coming winter season. If the test is successful, another 50 electric snowmobiles will be acquired in the next step of the partnership. SkiStar has nearly 160 snowmobiles in operation.

### After the end of the period

04/09/2019

#### Record interest in seasonal employment in the Scandinavian mountains

This year, almost 3,000 people have applied for seasonal jobs at the SkiStar ski resorts. In total, 750 of the applicants were employed, making SkiStar one of Sweden's largest employers of young people.

06/09/2019

#### New flights from Berlin and Helsinki offer even better access to Åre

The successful investment in the Alpine World Ski Championship venue Åre continues, with easyJet launching a new direct route to Åre Östersund Airport from Berlin. The airline Finnair started the Helsinki-Trondheim route during summer, with flights five days a week.

11/09/2019

#### Now you can fly from Visby, Trollhättan, Ronneby, Kalmar, Kristianstad and Halmstad to Sälen and Trysil during the winter

BRA has added another six Swedish locations to the list of places with flights to the largest ski resorts in Sweden and Norway.

12/09/2019

#### SkiStar's winter news: more of children's favourite Valle, new accommodation close to slopes and official opening of Scandinavian Mountains Airport

The focus is on families with children as SkiStar presents this year's winter news. The popular children's concept Valle has been developed, even more first-class skiing is available, and more accommodation is opening in the best Ski-in Ski-out locations. In addition, the new airport between Sälen and Trysil opens in December. More information on the news for each destination is available at skistar.com.

17/09/2019

#### Active holidays – a springboard for reducing screen time

A new study recently presented by the Swedish Media Council shows, among other things, that more and more children and young people feel that they spend too much time on mobile devices. At the same time, a recent HUI survey conducted on behalf of SkiStar shows that 68 percent of parents who go on a skiing holiday find that it is a good opportunity to limit children's screen time.

20/09/2019

#### One hundred percent back-to-nature transfer from new Scandinavian Mountains Airport to SkiStar's resorts in Sälen

In conjunction with the opening of Scandinavian Mountains Airport, SkiStar and Peakpoints will present an adventurous way to get to and from the airport – dog sled transfer. With the help of 10 Alaskan Huskies, guests will be able to glide through the beautiful mountain scenery to SkiStar's resorts in Sälen.

25/09/2019

#### Results from 2019 Alpine World Ski Championships in Åre

In terms of weather, the Alpine World Ski Championships were a real challenge for the organisers, with about 30 degrees difference between the warmest and coldest day. Despite this, the event received a great deal of praise internationally and attracted much attention at home in Sweden.

Business was conducted through Åre 2019 AB, an associated company jointly owned with the Swedish Ski Association. Earnings before tax amount to SEK -29 million, which includes four years of operations and preparatory competitions. Much of the negative financial result is due to significant investments, which amount to SEK 36 million. Investments made by the World Championship company and its owners are aimed at increasing interest in alpine skiing and strengthening Åre's and Sweden's position in the international market.

Another major cost item is the competitions conducted in addition to the Alpine World Ski Championships: six test competitions, four world cups at Hammarbybacken (2016–2019), the Alpine Junior World Ski Championships (2017) and the World Cup Final in Åre (2018). From day one, the World Championships company also had a clear goal – to stage the most sustainable alpine World Championships ever, and this was a successful venture. The Alpine World Ski Championships in Åre became the first ever ISO20121-certified alpine world championships, with a significantly lower environmental impact than previous championships.

The company will be liquidated during the 2019/20 financial year.

01/10/2019

#### More departures by train to Åre and Vemdalen this winter

This winter, the number of night train departures is expanded with the train company Snälltåget's night train from southern Sweden via Stockholm to Vemdalen with the opportunity to go both short week or weekend. At present, there are a total of 13 extra-night trains with SJ and Snälltåget to Åre to increase the possibility of traveling sustainably.

A full list of press releases is always available at skistar.com.

## THE SCANDINAVIAN MARKET

According to SLAO, SkiPass sales in Sweden increased by two percent in the 2018/19 season compared with the previous season. SkiPass sales in Norway declined by three percent according to ALF.

SkiStar's market share in Sweden was 50 (49) percent. The market share in Norway was 30 (30) percent, while the share for Scandinavia was 41 (41) percent.

## REVENUE AND EARNINGS

### Fourth Quarter

The Group's operating income for the fourth quarter amounted to SEK 111 (184) million, a decline of 40 percent from the previous year. Changes in the NOK/SEK and EUR/SEK rate had an adverse effect of SEK 6 million on revenue. The Group's operating loss for the fourth quarter was SEK -222 (-156) million. Changes in the NOK/SEK and EUR/SEK rate had an adverse effect of SEK 5 million on operating profit for the quarter. Loss from associated companies/joint ventures fell to SEK -23 (-7) million, with capital gains from exploitation activities contributing SEK 0 (0) million and Åre 2019 AB contributing SEK -14.7 million. Net financial items for the quarter declined by SEK 17 million to SEK -27 (-10) million and included SEK -18 million related to changes in the value of interest rate derivatives. The Group's earnings after tax amounted to SEK -206 (-117) million, a decline of SEK 89 million, or 76 percent.

Operating income from Operation of Ski Resorts amounted to SEK 96 (69) million with a loss of SEK -220 (-193) million. Operating income from Property Development and Exploitation amounted to SEK 35 (99) million, with a loss of SEK -2 (37) million. Profit from exploitation activities related to plot and land sales and the sale of shares in tenant-owner apartments and Vacation Club amounted to SEK

20 (56) million during the quarter, of which SEK 0 (0) million was through associated companies. Other activities in Property Development and Exploitation are primarily related to the renting of accommodation to the Operation of Ski Resorts segment, and shares from associated companies that rent out accommodation.

### Full Year 2018/19

The Group's operating income for the financial year amounted to SEK 2,688 (2,548) million, an increase of 5 percent from the previous year. Changes in the NOK/SEK and EUR/SEK rate had a positive effect of SEK 24 million on revenue. The Group's operating profit for the period amounted to SEK 604 (611) million. Changes in the NOK/SEK and EUR/SEK rates for the period had a positive effect of SEK 4 million on operating profit. Profit from associated companies/joint ventures fell to SEK 7 (8) million, with capital gains from exploitation activities contributing SEK 16 (1) million and Åre 2019 AB SEK -14.7 million.

Net financial items for the full year declined by SEK 26 million to SEK -51 (-24) million and included SEK -38 million related to changes in the value of interest rate derivatives. The Group's profit after tax was SEK 460 (486) million, a decline of SEK 26 million, or 5 percent.

Operating income from Operation of Ski Resorts amounted to SEK 2,481 (2,360) million with a profit of SEK 451 (498) million. Operating income from Property Development and Exploitation amounted to SEK 296 (241) million, with a profit of SEK 152 (113) million. Profit from exploitation activities related to plot and land sales and the sale of shares in tenant-owner apartments and Vacation Club amounted to SEK 189 (147) million during the financial year, of which SEK 16 (1) million was through associated companies. Other activities in Property Development and Exploitation are primarily related to the renting of accommodation to the Operation of Ski Resorts segment, and shares from associated companies that rent out accommodation.

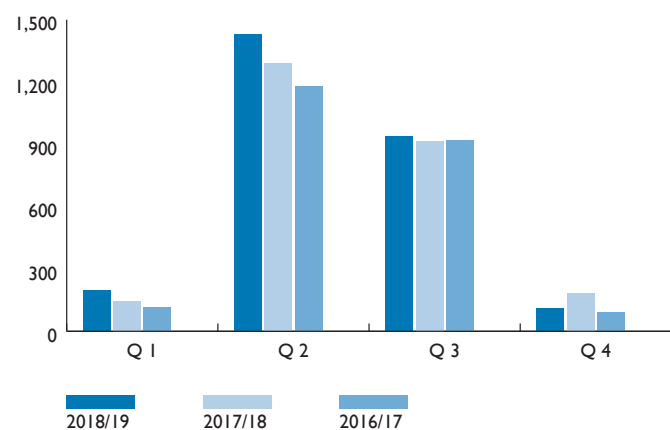
### Seasonality

SkiStar's operations are subject to significant seasonal variations. The majority of revenue and earnings are generated in the second and third quarters. The number of days off during Christmas and New Year and whether Easter falls early or late also cause revenues and earnings to vary. Over half of the revenue is booked and paid in advance.

## DISTRIBUTION OF REVENUE, SEK MILLION

	3 MONTHS 1 Jun - 31 Aug		FULL YEAR 1 Sep - 31 Aug	
	2018/19	2017/18	2018/19	2017/18
SkiPass	23	23	1,393	1,338
Accommodation	11	10	303	293
Ski Rental	5	4	188	183
Ski School/Activities	-	-	57	60
Sporting goods outlets	15	15	171	173
Property services	11	14	109	109
Interests in accommodation/exploitation assets	22	94	229	191
Other	22	24	226	189
<b>Total</b>	<b>109</b>	<b>184</b>	<b>2,676</b>	<b>2,536</b>

## REVENUE



## OPERATING PROFIT/LOSS



## QUARTERLY VALUES, SEK MILLION

	2018/19				2017/18			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue	109	939	1,431	196	184	916	1,290	146
Operating profit/loss	-222	319	716	-209	-156	370	639	-242

## FINANCIAL POSITION, TAXES AND INVESTMENTS

### Cash flow

Cash flow from operating activities before changes in working capital was SEK 722 (679) million for the financial year. Cash flow from investing activities amounted to SEK -503 (-394) million. Cash flow from financing activities amounted to SEK -220 (-324) million. A dividend of SEK 274 (215) million was paid to shareholders during the financial year.

### Liquidity and financing

The Group's cash and cash equivalents were SEK 71 (73) million at the end of the financial year. Unused credit facilities amounted to SEK 185 (236) million. Interest-bearing liabilities amounted to SEK 1,758 (1,691) million, an increase of SEK 67 million from the previous year. The average interest rate during the year was 2.2 (2.4) percent. Net financial debt was SEK 1,589 (1,493) million at the end of August, an increase of SEK 96 million from the previous year. The equity ratio increased to 51 (50) percent.

### Tax

Tax expense for the financial year amounted to SEK 93 (100) million and was mainly attributable to current tax. Unused loss carryforwards was SEK 0 (0) million at the end of August.

### Investments

Investments for the full year amounted to SEK 546 (533) million (gross) and SEK 503 (394) million (net). The difference between gross and net is the divestment of financial assets and property, plant and equipment.

The investments mainly concerned exploitation and maintenance investments at the destinations.

Depreciation and amortisation in the same period amounted to SEK 273 (254) million.

### Looking ahead to 2019/20

Decision has been made to invest about SEK 330 million, mainly in replacements, modernisation and snow production capacity, largely to ensure a good ski product by the start of the

season.

The total booking situation (through SkiStar's accommodation agency) for the winter season is +0.4 percent compared with the same time the previous year.

## OTHER INFORMATION

### The SkiStar share

The number of shareholders was 36,874 at 31 August 2019, which is an increase of 5,252 (16.6 percent) since 31 August 2018. SkiStar's class B shares are listed on the Nasdaq Stockholm Mid Cap. The number of shares was 78,376,056, of which 74,728,056 are class B shares. The closing price of the SkiStar share was SEK 116.00 at 31 August 2019.

### Personnel

The average number of employees was 1,322, which is an increase of 39 from the previous year. The increase is mainly attributable to the World Championships in Åre.

### Parent company

Revenues in the Parent Company totalled SEK 1,735 (1,616) million for the period. Net investments amounted to SEK 219 (253) million.

### Related-party transactions

Mats and Fredrik Paulsson, together with family and companies, are the main owners of SkiStar with 47 percent of the votes and 24 percent of the capital as of 31 August 2019, and they are also the main shareholders in Peab with which SkiStar has a business relationship. During the year purchases from Peab amounted to SEK 155 (23) million. The outstanding liability to Peab was SEK 19 (14) million. Sales to Peab amounted to SEK 2 (2) million and the outstanding receivable was SEK 0 (0) million.

Purchases from associates amounted to SEK 110 (95) million in the financial year, while sales to associates were SEK 76 (48) million. Net receivables were 220 MSEK (215) million, including SEK 229 (220) million attributable to loans to associates. In addition to the Group's transactions with related parties, the Parent Company also has transactions with subsidiaries. A description of the nature of these related-party transactions can be found in note 36 of the Annual Report for 2017/18.

### Risks and uncertainties

The risks and uncertainties described below apply to both the Parent Company and Group. The number of guests at SkiStar's destinations is influenced by weather and snow conditions. A late winter with a lack of cold weather and natural snow in time for Christmas means lower demand. Lower demand can also arise in winters with prolonged cold periods and good snow conditions in the southern, more densely populated parts of Scandinavia, as snow, cold weather and skiing opportunities are available closer to home. SkiStar addresses these risks through continuous development of

snow-making systems to guarantee skiing and by making strategic sales aimed at ensuring that the majority of the accommodation capacity is booked by the Christmas week when the high season starts. Fluctuations in the value of the domestic currencies against other currencies affect travel patterns and therefore also the number of guests at SkiStar's destinations. SkiStar's earnings are also affected by the relationship between the Swedish krona and Norwegian krone and Euro. The number of days off over the Christmas and New Year period, and whether Easter falls early or late, also affect travel patterns. A more detailed description of risks and uncertainties can be found in the administration report and note 32 of the Annual Report for 2017/18.

### Proposed Dividend

The board of directors proposes that the annual general meeting adopts a dividend payment of SEK 3.50 (3.50), totalling SEK 274 (274) million. The dividend represents 59 (56) percent of the Group's profit after tax. The proposed record date is 17 December 2019, meaning that the dividend to Swedish shareholders will be paid on 20 December 2019.

### Annual General Meeting

Annual General Meeting of shareholders will be held on Saturday 14 December 2019, at 2.00 pm CET in Sälen.

### Nomination Committee

At the AGM in Sälen on 15 December 2018, Anders Sundström, Åsa Nisell, Magnus Swärdh and Jan Särilvik were re-elected as members of the Nomination Committee. The Nomination Committee has appointed Anders Sundström as its Chairman. SkiStar's Nomination Committee can be reached by e-mail at [valberedningen@skistar.com](mailto:valberedningen@skistar.com) or by ordinary mail at the following address: SkiStar AB, Nomination Committee/Valberedningen, 780 67 Sälen.

### Financial information

#### Financial year 2018/19

The Annual Report will be available on [skistar.com](http://skistar.com) week 47.

#### Financial year 2019/20

The interim reports for the financial year and the year-end report will be published as follows;

- Interim Report Q1,  
1 September 2019-30 November 2019  
19 December 2019.
- Half-Year Report,  
1 September 2019-29 Februari 2020  
18 March 2020.

- Interim Report Q3,  
1 September 2019-31 May 2020,  
18 June 2020.
- Year-End Report,  
1 September 2019-31 August 2020,  
1 October 2020.

### Accounting policies

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's RFR 2 Accounting for Legal Entities. The accounting policies and methods of calculation applied for the Group and Parent Company are the same as those applied in preparing the most recent annual accounts and consolidated financial statements except for the sections that concern IFRS 9 and IFRS 15, which the Group has applied starting with the first quarter 2018/19. There have been no material effects on the accounting from the transition to IFRS 9 and IFRS 15. See the note on page 16.

Previously, the company recognised revenues for SkiPass, accommodation, ski rental and ski school at the date of arrival of the guest. As from the 2018/19 Half-Year Report, these revenues are distributed over the period of the customer's stay. The comparative figures in this report have been restated. The effect only occurs in the second and third quarters.

Preparation of financial statements in compliance with IFRS requires company management to make accounting estimates and judgements as well as to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. The actual outcome may differ from these estimates and assumptions. Certain statements contained in this report are forward-looking and reflect the current assessments of the Company and Board of Directors as regards future circumstances.

## DEFINITIONS OF KEY PERFORMANCE MEASURES

Key performance measures are either measures used in Swedish listed companies or those used by management and analysts..

### AVERAGE INTEREST EXPENSES

Interest expenses divided by average interest-bearing liabilities.

### CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL

The reason for the key performance measure is that the change in inventories, trade receivables and trade payables is marginal, and these items are therefore eliminated to obtain a more accurate picture of operations.

### CASH FLOW PER SHARE

Cash flow before changes in working capital divided by the average number of shares.

### EARNINGS PER SHARE

Profit/loss for the year attributable to shareholders of the Parent divided by the average number of shares.

### EQUITY PER SHARE

Equity divided by the average number of shares for the reporting period.

### EQUITY/ASSETS RATIO

Equity as a percentage of total assets.

### FINANCIAL NET DEBT

Interest-bearing receivables less interest-bearing liabilities.

### GROSS MARGIN

Operating profit/loss before depreciation/amortisation as a percentage of revenue.

### INTEREST-BEARING LIABILITIES

Current and non-current liabilities to credit institutions, provisions for pensions and items in other current liabilities that are interest-bearing.

### NET MARGIN

Profit/loss before tax as a percentage of revenue.

### OPERATING MARGIN

Operating profit/loss after depreciation/amortisation as a percentage of revenue.

### OPERATING PROFIT/LOSS

Revenue less cost of goods for resale, personnel

costs, other operating expenses, depreciation, profit/loss from joint ventures/associates and negative goodwill.

### RETURN ON AVERAGE EQUITY

Profit/loss after tax in relation to average equity.

### RETURN ON CAPITAL EMPLOYED

Profit/loss after net financial items plus finance costs as a percentage of average capital employed. Capital employed is defined as assets less non-interest-bearing liabilities.

### RETURN ON TOTAL ASSETS

Profit/loss after net financial items plus finance costs as a percentage of average total assets.

### SHARE PRICE/CASH FLOW

Share price at the reporting date divided by cash flow from operating activities.

### SHARE PRICE/EQUITY

Share price at the reporting date divided by equity per share.

## OTHER DEFINITIONS

### ALF

Alpinanleggenes Landsforening (Norwegian Ski Lift Association).

### BOOKING VOLUME

A comparison of the number of booked overnight stays between two defined periods.

### FINANCIAL YEAR

SkiStar's financial year covers the period 1 September to 31 August.  
First quarter (Q 1) September – November  
Second quarter (Q 2) December – February  
Third quarter (Q 3) March – May  
Fourth quarter (Q 4) June – August

### OCCUPANCY RATE

Accommodation bookings as a percentage of the beds mediated by SkiStar at 100% capacity in the period beginning the third week in December and ending the third week in April.

### OVERNIGHT STAY

One booked night in a cabin, apartment or hotel room.

### SKIER DAY

One day's skiing with a SkiPass.

### SKIPASS

Card providing access to ski lifts.

### SLAO

Svenska Skidanläggnings Organisation (Swedish Ski Lift Organisation).

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK THOUSANDS		3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
		2018/19	2017/18	2018/19	2017/18
<i>Operating Income</i>	Revenue 1)	109,428	183,653	2,675,902	2,535,705
	Other income	1,561	356	12,159	12,499
	<b>Total operating income</b>	<b>110,989</b>	<b>184,009</b>	<b>2,688,061</b>	<b>2,548,204</b>
<i>Operating Expenses</i>	Goods for resale	-21,316	-22,901	-291,953	-272,406
	Other external expenses	-127,861	-130,555	-766,895	-722,469
	Personnel costs	-88,219	-77,369	-703,458	-652,511
	Cost of sold interests in accommodation/ exploitation asset	-2,496	-37,382	-55,402	-44,414
	Share in profit/loss of joint ventures/ associates	-23,334	-7,320	6,814	8,460
	Depreciation/amortisation	-69,655	-64,299	-273,384	-253,970
	<b>Operating profit/loss</b>	<b>-221,892</b>	<b>-155,817</b>	<b>603,783</b>	<b>610,894</b>
	Net financial items	-27,028	-10,192	-50,542	-24,265
	<b>Profit/loss before tax</b>	<b>-248,920</b>	<b>-166,009</b>	<b>553,241</b>	<b>586,629</b>
	Tax	42,432	49,281	-92,841	-100,261
	<b>Profit/loss for the period</b>	<b>-206,488</b>	<b>-116,728</b>	<b>460,400</b>	<b>486,368</b>
<b>Other Comprehensive Income</b>					
	Items that may be reclassified to profit or loss				
	Change in fair value of cash flow hedges for the period	1,703	1,703	6,758	6,758
	Deferred tax on cash flow hedges	-375	-375	-1,487	-1,487
	Exchange differences on translation of foreign operations for the period	-5,151	11,504	-10,380	54,733
	<b>Other comprehensive income for the period</b>	<b>-3,823</b>	<b>12,832</b>	<b>-5,109</b>	<b>60,004</b>
	<b>Total comprehensive income for the period</b>	<b>-210,311</b>	<b>-103,896</b>	<b>455,291</b>	<b>546,372</b>
<i>Profit/loss for the period attributable to:</i>					
	Shareholders of the Parent	-201,512	-112,415	466,303	489,548
	Non-controlling interests	-4,976	-4,313	-5,903	-3,180
	<b>Profit/loss for the period</b>	<b>-206,488</b>	<b>-116,728</b>	<b>460,400</b>	<b>486,368</b>
<i>Comprehensive income for the period attributable to:</i>					
	Shareholders of the Parent	-206,230	-101,534	460,323	542,747
	Non-controlling interests	-4,081	-2,362	-5,032	3,625
	<b>Total comprehensive income for the period</b>	<b>-210,310</b>	<b>-103,896</b>	<b>455,291</b>	<b>546,372</b>
<i>Earnings per share, SEK 2)</i>		-2.57	-1.43	5.95	6.25
<i>Average number of shares outstanding</i>		78,376,056	78,376,056	78,376,056	78,376,056
		78,376,056	78,376,056	78,376,056	78,376,056

1) The previous year was adjusted with respect to changed accounting principles (see page 6 for details).

2) Recalculated with respect to the 2:1 split carried out on 17 January 2019 as resolved at the annual general meeting on 15 December 2018. Number of shares for previous periods have been adjusted.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONG

ASSETS, SEK THOUSANDS		31 Aug 2019	31 Aug 2018
<i>Non-current assets</i>			
	Intangible assets	191,953	195,661
	Property, plant and equipment	3,647,258	3,380,541
	Investments in joint ventures/associates	393,166	387,293
	Other investments and securities held as non-current assets	36,874	36,596
	Other non-current receivables	245,794	258,579
	<b>Total non-current assets</b>	<b>4,515,045</b>	<b>4,258,670</b>
<i>Current assets</i>			
	Inventories	164,176	166,223
		<b>164,176</b>	<b>166,223</b>
	Trade receivables	51,201	28,776
	Tax receivables	53,704	18,056
	Other current receivables	114,149	272,756
	Prepaid expenses and accrued income	96,249	52,940
		<b>315,303</b>	<b>372,528</b>
	Cash & cash equivalents	71,253	73,146
	<b>Total current assets</b>	<b>550,732</b>	<b>611,897</b>
	<b>TOTAL ASSETS</b>	<b>5,065,777</b>	<b>4,870,567</b>
EQUITY AND LIABILITIES, SEK THOUSANDS			
<i>Equity</i>			
	Share capital	19,594	19,594
	Other contributed capital	397,573	397,573
	Reserves	-22,243	-16,263
	Retained earnings, including profit/loss for the period	2,150,720	1,958,733
	Equity attributable to shareholders of the Parent	2,545,644	2,359,637
	Non-controlling interests	56,420	61,452
	<b>Total equity</b>	<b>2,602,064</b>	<b>2,421,089</b>
<i>Non-current liabilities</i>			
	Liabilities to credit institutions	1,587,811	1,286,047
	Provisions for pensions	12,864	12,316
	Other provisions	1,510	1,453
	Derivatives	31,388	33,735
	Deferred tax liabilities	193,648	185,926
	<b>Total non-current liabilities</b>	<b>1,827,221</b>	<b>1,519,477</b>
<i>Current liabilities</i>			
	Liabilities to credit institutions	157,856	392,750
	Trade payables	118,583	129,292
	Tax liabilities	88,124	63,755
	Other current liabilities	167,110	233,298
	Accrued expenses and deferred income	104,819	110,906
	<b>Total current liabilities</b>	<b>636,492</b>	<b>930,001</b>
	<b>Total liabilities</b>	<b>2,463,713</b>	<b>2,449,478</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,065,777</b>	<b>4,870,567</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT

SEK THOUSANDS	Share capital	Other contributed capital	Translation reserves	Hedging reserves	Retained earnings and profit for the year	Total	Non-controlling interests	Total equity
Opening equity, 1 Sep 2017	19,594	397,573	-46,286	-23,176	1,684,719	2,032,424	57,827	2,090,251
Profit/loss for the period					489,548	489,548	-3,180	486,368
Other comprehensive income for the period			47,928	5,271	0	53,199	6,805	60,004
Comprehensive income for the period	0	0	47,928	5,271	489,548	542,747	3,625	546,372
Dividend					-215,534	-215,534		-215,534
Closing equity, 31 Aug 2018	19,594	397,573	1,642	-17,905	1,958,733	2,359,637	61,452	2,421,089
Opening equity, 1 Sep 2018	19,594	397,573	1,642	-17,905	1,958,733	2,359,637	61,452	2,421,089
Profit/loss for the period					466,303	466,303	-5,903	460,400
Other comprehensive income for the period			-11,251	5,271		-5,980	871	-5,109
Comprehensive income for the period	0	0	-11,251	5,271	466,303	460,323	-5,032	455,291
Dividend					-274,316	-274,316		-274,316
Closing equity, 31 Aug 2019	19,594	397,573	-9,609	-12,634	2,150,720	2,545,644	56,420	2,602,064

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK THOUSANDS		3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
		2018/19	2017/18	2018/19	2017/18
<i>Operating activities</i>	Profit/loss after financial items	-248,919	-166,009	553,242	586,629
	Adjustment for non-cash items	74,253	63,238	239,844	215,932
		-174,684	-102,771	793,086	802,561
	Tax paid	-7,875	574	-68,269	-34,739
	Changes in working capital	-13,358	-29,061	-2,466	-88,662
	Cash flow from operating activities	-195,917	-131,258	722,351	679,160
<i>Investing activities</i>	Acquisition of property, plant and equipment	-104,142	-56,348	-483,617	-399,474
	Acquisition of subsidiaries	-868	-	-12,453	-
	Sale of property, plant and equipment	-23,599	948	4,556	2,596
	Other investing activities	-1,543	-2,888	-11,696	2,851
	Cash flow from investing activities	-127,066	-58,288	-503,210	-394,027
<i>Financing activities</i>	Proceeds from borrowings	339,914	370,291	775,016	501,209
	Repayment of borrowings	-15,620	-193,264	-721,519	-609,822
	Dividend paid	-	-	-274,316	-215,534
	Cash flow from financing activities	324,294	177,027	-220,819	-324,147
	Cash flow for the period	1,311	-12,519	-1,678	-39,014
	Cash & cash equivalents at beginning of year	70,872	84,253	73,146	105,512
	Exchange differences	-930	1,412	-215	6,648
	Cash & cash equivalents at end of period	71,253	73,146	71,253	73,146

## THE GROUP'S OPERATING SEGMENTS

SEK, THOUSANDS	3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
OPERATION OF SKI RESORTS	2018/19	2017/18	2018/19	2017/18
External revenue	85,046	85,271	2,435,645	2,344,020
Internal revenue	10,224	-16,607	45,099	15,418
Capital gains	275	509	697	1,488
<b>Total operating income</b>	<b>95,545</b>	<b>69,173</b>	<b>2,481,441</b>	<b>2,360,926</b>
External operating expenses	-218,132	-212,191	-1,685,758	-1,581,491
Costs from other segments	-16 853	9 388	-80 822	-53 130
Capital losses	-1	-67	-417	-4,495
Profit/loss from investments in joint ventures and associates	-16,427	-1,047	-10,730	4,189
Depreciation/amortisation	-64,089	-57,745	-252,337	-227,800
<b>Operating profit/loss</b>	<b>-219,957</b>	<b>-192,489</b>	<b>451,377</b>	<b>498,200</b>
Intangible assets	191,953	195,661	191,953	195,661
Property, plant and equipment	2,946,081	2,832,933	2,946,081	2,832,933
Financial assets	80,676	25,157	80,676	25,157
Operating loans	1,155,347	1,094,965	1,155,347	1,094,965
<b>PROPERTY DEVELOPMENT &amp; EXPLOITATION</b>				
External revenue	2,861	4,391	21,426	12,046
Exploitation revenue	22,408	93,839	228,755	190,651
Internal revenue	9,605	1,235	44,291	38,681
Capital gains	398	0	1,538	0
<b>Total operating income</b>	<b>35,272</b>	<b>99,464</b>	<b>296,010</b>	<b>241,378</b>
External operating expenses	-15,788	-18,569	-72,512	-61,383
Costs from other segments	-2,975	5,985	-8,568	-970
Costs of sold exploitation assets	-2 496	-37,382	-55,402	-44,414
Capital losses	-3,475	0	-3,619	-17
Profit/loss from investments in joint ventures and associates	-6,907	-6,273	17,544	4,270
Depreciation/amortisation	-5,566	-6,555	-21,047	-26,170
<b>Operating profit/loss</b>	<b>-1,935</b>	<b>36,671</b>	<b>152,406</b>	<b>112,694</b>
Property, plant and equipment	701,177	547,608	701,177	547,608
Financial assets	595,158	657,311	595,158	657,311
Operating loans	590,320	583,832	590,320	583,832
Internal revenue	-19,828	15,372	-89,390	-54,100
Internal costs	19,828	-15,372	89,390	54,100
Consolidated revenue	110,989	184,009	2,688,061	2,548,204
<b>Consolidated operating profit/loss</b>	<b>-221,892</b>	<b>-155,818</b>	<b>603,783</b>	<b>610,894</b>
Consolidated intangible assets	191,953	195,661	191,953	195,661
Consolidated property, plant and equipment	3,647,258	3,380,541	3,647,258	3,380,541
Consolidated financial assets	675,834	682,468	675,834	682,468
Consolidated operating loans	1,745,667	1,678,798	1,745,667	1,678,798

### Segment reporting

For a description of segment reporting, see note on page 16.

# CONDENSED INCOME STATEMENT – PARENT COMPANY

SEK THOUSANDS		3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
		2018/19	2017/18	2018/19	2017/18
<i>Operating income</i>	Revenue	75,205	61,040	1,735,375	1,616,087
	Other operating income	528	124	3,838	3,117
	<b>Total operating income</b>	<b>75,733</b>	<b>61,164</b>	<b>1,739,213</b>	<b>1,619,204</b>
<i>Operating expenses</i>	Goods for resale	-18,520	-18,389	-223,173	-205,931
	Other external expenses	-99,931	-105,031	-563,332	-536,692
	Personnel costs	-59,310	-53,154	-479,462	-447,650
	Cost of sold interests in accommodation/exploitation	-1,095	-	-31,647	-1,236
	Depreciation/amortisation of assets	-38,978	-34,159	-147,128	-134,333
	<b>Operating profit/loss</b>	<b>-142,101</b>	<b>-149,569</b>	<b>294,471</b>	<b>293,362</b>
	Net financial items	-29,776	-4,590	33,414	34,088
	<b>Profit/loss after net financial items</b>	<b>-171,877</b>	<b>-154,159</b>	<b>327,885</b>	<b>327,450</b>
	Appropriations	-10,323	-173,953	-10,323	-173,953
	<b>Profit/loss before tax</b>	<b>-182,200</b>	<b>-328,112</b>	<b>317,562</b>	<b>153,497</b>
	Tax	29,497	77,505	-58,157	-18,064
	<b>Profit/loss for the period</b>	<b>-152,703</b>	<b>-250,607</b>	<b>259,405</b>	<b>135,433</b>
<b>Other comprehensive income</b>					
	Items that may be reclassified to profit or loss				
	Change in fair value of cash flow hedges for the period	1,703	1,703	6,758	6,758
	Deferred tax on cash flow hedges	-375	-375	-1,487	-1,487
	<b>Other comprehensive income for the year</b>	<b>1,328</b>	<b>1,328</b>	<b>5,271</b>	<b>5,271</b>
	<b>Total comprehensive income for the year</b>	<b>-151,375</b>	<b>-249,279</b>	<b>264,676</b>	<b>140,704</b>

# CONDENSED BALANCE SHEET - PARENT COMPANY

ASSETS, SEK THOUSANDS		31 Aug 2019	31 Aug 2018
<i>Non-current assets</i>	Intangible assets	33,229	33,219
	Property, plant and equipment	1,722,367	1,616,330
<i>Financial assets</i>	Investments in Group companies	379,497	366,449
	Investments in joint ventures/associates	2,812	2,992
	Other investment and securities held as non-current-assets	20,247	20,247
	Other non-current receivables	22,012	21,272
	Receivables from Group companies	572,679	571,618
	<b>Total non-current assets</b>	<b>2,752,843</b>	<b>2,632,127</b>
<i>Current assets</i>			
<i>-Inventories</i>	Goods for resale	89,424	78,679
		<b>89,424</b>	<b>78,679</b>
<i>-Current receivables</i>	Trade receivables	38,098	14,831
	Receivables from Group companies	15,159	7,432
	Tax receivables	48,456	12,834
	Other current receivables	24,503	28,759
	Prepaid expenses and accrued income	62,079	43,587
		<b>188,295</b>	<b>107,443</b>
<i>-Cash and cash equivalents</i>	Cash and bank balances	165	1,340
	<b>Total current assets</b>	<b>277,844</b>	<b>187,462</b>
	<b>TOTAL ASSETS</b>	<b>3,030,727</b>	<b>2,819,589</b>
EQUITY AND LIABILITIES, SEK THOUSANDS			
<i>Equity</i>			
<i>-Restricted equity</i>	Share capital	19,594	19,594
	Statutory reserve	25,750	25,750
	Development fund	4,309	1,790
		<b>49,653</b>	<b>47,134</b>
<i>-Non-restricted equity</i>	Share premium reserve	4,242	4,242
	Retained earnings	554,583	690,714
	Profit/loss for the year	259,405	135,433
	<b>Total equity</b>	<b>867,883</b>	<b>877,523</b>
<i>Non-current liabilities</i>			
<i>-Non-current interest-bearing liabilities</i>	Liabilities to Group companies	794,882	648,531
	Liabilities to credit institutions	852,648	801,310
<i>-Provisions</i>	Provisions for pensions	9,705	8,359
	Other provisions	800	619
<i>-Non-current non-interest-bearing liabilities</i>	Derivative liabilities	22,835	32,886
	Deferred tax liabilities	145,318	134,804
	<b>Total non-current liabilities</b>	<b>1,826,188</b>	<b>1,626,509</b>
<i>-Current liabilities</i>			
	Liabilities to credit institutions	-	-
	Liabilities to Group companies	30,581	31,073
	Trade payables	80,375	87,513
	Other current liabilities	159,095	122,766
	Accrued expenses and deferred income	66,605	74,205
	<b>Total current liabilities</b>	<b>336,656</b>	<b>315,557</b>
	<b>Total liabilities</b>	<b>2,162,844</b>	<b>1,942,066</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,030,727</b>	<b>2,819,589</b>

# THE GROUP'S KEY PERFORMANCE INDICATORS AND DATA PER SHARE

KEY PERFORMANCE INDICATORS	FULL YEAR 1 Sep - 31 Aug				
	2018/19	2017/18	2016/17	2015/16	2014/15
Revenue, SEK thousand	2,675,902	2,535,705	2,306,024	1,990,555	1,899,243
Operating income, SEK thousand	2,688,061	2,548,204	2,311,454	1,999,434	1,912,498
Profit/loss before tax, SEK thousand	553,242	586,629	477,756	385,832	322,979
Profit/loss after tax, SEK thousand	460,400	486,368	386,707	306,349	248,597
Cash flow from operating activities, SEK thousand	722,351	679,160	629,108	521,418	503,528
Total cash flow, SEK thousand	-1,678	-39,014	15,343	67,254	-928
Return on:					
-capital employed, %	15	17	14	13	11
-equity, %	18	22	20	17	16
-total assets, %	13	14	12	11	10
Gross margin, %	33	34	33	33	30
Operating margin, %	22	24	22	22	20
Net margin, %	21	23	21	19	16
Equity/assets ratio, %	51	50	46	46	44

	2018/19				2017/18			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Revenue, SEK thousand	109,428	938,717	1,431,378	196,378	183,653	915,862	1,290,203	145,988
Operating income, SEK thousand	110,989	942,765	1,435,580	198,727	184,010	919,785	1,296,306	148,104
Profit/loss before tax, SEK thousand	-248,919	317,684	702,490	-218,013	-166,010	354,291	650,888	-252,542
Profit/loss after tax, SEK thousand	-206,487	256,413	554,596	-144,121	-116,728	279,966	501,886	-178,757
Cash flow from operating activities, SEK thousand	-195,917	-242,188	876,387	284,069	-131,258	-216,343	853,836	172,925
Total cash flow, SEK thousand	1,311	-82,010	107,499	-25,478	-12,519	-24,874	8,886	-10,507
Gross margin, %	neg	41	55	neg	neg	48	54	neg
Operating margin, %	neg	34	50	neg	neg	40	49	neg
Net margin, %	neg	34	49	neg	neg	39	50	neg

DATA PER SHARE 1)	31 Aug				
	2019	2018	2017	2016	2015
Share price, SEK	116.00	101.00	93.25	71.00	51.00
Average number of shares	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056
Earnings, SEK	5.95	6.25	4.96	3.91	3.17
Cash flow from operating activities, SEK	9.22	8.67	8.03	6.65	6.42
Share price/cash flow, times	12.6	11.7	11.6	10.7	7.9
Equity, SEK	33	31	27	24	21
Price/equity, %	349	327	350	298	244

	2018/19				2017/18			
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Average number of shares	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056	78,376,056
Earnings SEK	-2.57	3.30	6.95	-1.73	-1.43	3.60	6.28	-2.20
Cash flow from operating activities, SEK	-2.50	-3.09	11.18	3.62	-1.67	-2.76	10.89	2.21
Equity, SEK	33	36	33	29	31	28	24	27
Return on equity, %	-8	9	22	-6	-5	13	26	-9

1) Recalculated with respect to the 2:1 split carried out on 17 January 2019 as resolved at the annual general meeting on 15 December 2018. Number of shares for previous periods have been adjusted.

## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

SEK THOUSANDS	FULL YEAR 1 Sep-31 Aug	
FINANCING AND INTEREST-BEARING LIABILITIES	2018/19	2017/18
Non-current interest-bearing liabilities to credit institutions	1,587,811	1,286,048
Provisions for pensions	12,864	12,316
Current interest-bearing liabilities to credit institutions	157,856	392,749
<b>Net interest-bearing liabilities</b>	<b>1,758,530</b>	<b>1,691,113</b>
Other non-current receivables	245,794	258,579
Non-interest-bearing portion of non-current receivables	-154,194	-157,208
Interest-bearing current receivables	6,431	23,455
Cash and cash equivalents	71,253	73,146
<b>Interest-bearing receivables</b>	<b>169,284</b>	<b>197,972</b>
<b>Financial net debt (interest-bearing receivables - net interest-bearing liabilities)</b>	<b>1,589,246</b>	<b>1,493,141</b>

SEK THOUSANDS	2018/19	2017/18	2016/17	2015/16	2014/15
RETURN ON CAPITAL EMPLOYED	Q 4	Q 4	Q 4	Q 4	Q 4
Profit after financial items	553,242	586,629	477,756	385,832	322,969
Finance income	49,029	55,283	13,067	7,664	7,128
Finance costs	-99,571	-79,548	-49,096	-61,197	-54,781
Net financial items	-50,542	-24,265	-36,030	-53,533	-47,653
<b>Profit after financial items, plus finance costs</b>	<b>652,812</b>	<b>666,177</b>	<b>526,852</b>	<b>447,028</b>	<b>377,750</b>

	2018/19		2017/18		2016/17		2015/16		2014/15	
CAPITAL EMPLOYED	Q 4	Aug 2018	Q 4	Aug 2017	Q 4	Aug 2016	Q 4	Aug 2015	Q 4	Aug 2014
Assets	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146	4,107,146	3,759,838	3,759,838	3,960,236
Non-current non-interest-bearing liabilities	226,546	221,113	221,113	190,107	190,107	149,441	149,441	96,467	96,467	72,655
Current non-interest-bearing liabilities	478,637	537,253	537,253	455,254	455,254	334,910	334,910	290,279	290,279	277,002
Total non-interest-bearing liabilities	705,182	758,366	758,366	645,361	645,361	484,351	484,351	386,746	386,746	349,657
Capital employed	4,360,594	4,112,202	4,112,202	3,862,499	3,862,499	3,622,795	3,622,795	3,373,092	3,373,092	3,610,579
Average capital employed	4,236,398		3,987,350		3,742,647		3,497,943		3,491,836	
<b>Return on capital employed</b>	<b>15%</b>		<b>17%</b>		<b>14%</b>		<b>13%</b>		<b>11%</b>	

RETURN ON EQUITY										
Equity	2,602,064	2,421,089	2,421,089	2,090,251	2,090,251	1,869,945	1,869,945	1,641,389	1,641,389	1,537,735
Average equity	2,511,576		2,255,670		1,980,098		1,755,667		1,589,562	
Profit after tax	460,400		486,368		386,707		306,349		248,587	
<b>Return on equity</b>	<b>18%</b>		<b>22%</b>		<b>20%</b>		<b>17%</b>		<b>16%</b>	

RETURN ON TOTAL ASSETS										
Total assets	5,065,776	4,870,568	4,870,568	4,507,860	4,507,860	4,107,146	4,107,146	3,759,838	3,759,838	3,960,236
Average total assets	4,968,172		4,689,214		4,307,503		3,933,492		3,860,037	
<b>Return on total assets</b>	<b>13%</b>		<b>14%</b>		<b>12%</b>		<b>11%</b>		<b>10%</b>	

## NOTES

### *Pledged assets and contingent liabilities*

#### PLEADGED ASSETS,

SEK THOUSAND	31 Aug 2019	31 Aug 2018
Group	1,643,516	1,629,864
Parent Company	539,941	538,595

#### EVENTUALFÖRPLIKTELSE, TSEK

Group	723,221	680,880
Parent Company	1,495,076	1,422,124

### *Acquisitions*

During the 2018/19 financial year, SkiStar acquired properties through companies. The acquisitions consisted of assets and liabilities and do not constitute business operations.

### *Segment reporting*

With effect from the first quarter 2018/19, operations are monitored and presented in the segments Operation of Ski Resorts and Property Development & Exploitation.

*Operation of Ski Resorts* comprises the operation of ski resorts and the sale of all products and services in this area, such as SkiPass, accommodation, activities, shops etc. The focus is on sales and efficient operation. Earnings are charged with the segment's own costs as well as internal rents, mainly for guest accommodation rented from Property Development & Exploitation. The segment's non-current assets are mainly property, plant and equipment used directly in the operations, such as pistes and lifts, or used or rented out for activities that complement the segment, such as ski shops, equipment hire and restaurants.

*Property Development & Exploitation* comprises the management of assets that can be exploited or used in the segment or leased to the Operation of Ski Resorts segment. Segment revenue consists of the sale of land and other properties, the sale of unit weeks in Vacation Club, and the renting of accommodation, both through the segment and associated companies, to guests in the Operation of Ski Resorts segment. The segment's assets consist of land and other properties, as well as shares in tenant-owner associations and associated companies focusing on hotels and the renting of cabins and apartments close to the Group's skiing areas.

Comparative figures have been restated.

### *Disclosures in accordance with IFRS 9 Financial Instruments*

The financial instruments that SkiStar holds are measured at cost, apart from the Company's interest rate derivatives, which are measured at fair value through comprehensive income. No uncertain items or impairment losses were identified. The transition to IFRS 9 has no material effect as the amount of SkiStar's trade receivables is low.

### *Disclosures in accordance with IFRS 13 Fair Value Measurement*

In addition to the usual working capital items and cash and cash equivalents, SkiStar's financial instruments consist of receivables from associates, interest-bearing liabilities, derivatives and available-for-sale financial assets. Interest-bearing liabilities carry floating interest rates. Most other financial assets and liabilities have short maturities. Derivatives and available-for-sale financial assets are measured at fair value based on level 2 inputs under IFRS 13. There were no transfers between levels during the period. The fair values of all financial instruments are deemed to approximate their carrying amounts. SkiStar has not reported any financial assets or liabilities on a net basis.

### *Disclosures in accordance with IFRS 15 Revenue from Contracts with Customers*

Contracts with customers in the Operation of Ski Resorts segment consist primarily of contracts with individuals relating primarily to booking travel that includes ski passes, accommodation, activities and other goods and services associated with guest visits to a ski resort. This category of customer contract means that full payment is due before arrival. The revenue is distributed over the period of the guest's stay, meaning that the total revenue is not recognised until the stay ends and the Company's commitments are fulfilled. Revenue is reduced by any loyalty points, which are entered as a liability until they have been used or expired.

Revenue from the sale of goods in shops is recognised at the time of the transaction, when control has been transferred to the buyer. The Company's obligations to customers prior to arrival consist mainly of advances from customers and their accrued but not yet used loyalty points.

Customer contracts in the Property Development & Exploitation segment consist partly of sales of plots to both individuals and corporate customers. Revenue is recognised on the date possession is taken. Vacation Club shares are sold primarily to individuals and the revenue is recognised on the date possession is taken.

### DISTRIBUTION OF REVENUE PER SEGMENT, SEK MILLION

	3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
OPERATION OF SKI RESORTS	2018/19	2017/18	2018/19	2017/18
SkiPass	23	23	1,393	1,338
Accommodation	11	10	303	293
Ski rental	5	4	188	183
Ski school/Activities	0	0	57	60
Sporting goods outlets	15	15	171	173
Property services	11	14	109	109
Other	9	18	159	139
Total Operation of Ski Resorts	74	85	2,380	2,295
PROPERTY DEVELOPMENT & EXPLOITATION				
Total Property Development & Exploitation	35	99	296	241
Group total	109	184	2,676	2,536

### DISTRIBUTION OF REVENUE PER SEGMENT AND COUNTRY, SEK MILLION

	3 MONTHS 1 Jun-31 Aug		FULL YEAR 1 Sep-31 Aug	
REVENUE PER COUNTRY	2018/19	2017/18	2018/19	2017/18
Sweden				
- Operation of Ski Resorts	63	70	1,588	1,551
- Property Development & Exploitation	35	99	293	238
Norway 1)				
- Operation of Ski Resorts	4	9	701	661
- Property Development & Exploitation	0	0	3	3
Austria 2)	7	6	91	83
Group total	109	184	2,676	2,536

1) There are no exploitation operations in Norway.

2) There are no property development and exploitation operations in Austria.

See note above for information about customer categories.

*Notes (continuation), see the following page.*

## NOTES (CONTINUATION)

### *New IFRSs and interpretations that will be applicable in future periods*

*IFRS 16 Leases* replaces previous accounting standard IAS 17 Leases.

For companies that are lessees, the current classification of operating and finance leases is being replaced by a model where assets and liabilities for all leases are to be recognised in the balance sheet. The Group will apply the new standard as from 1 September 2019. The Group will apply the simplified transition method in which lease liabilities are initially valued at the present value of future lease payments less the Group's marginal lending rate at 1 September 2019 and where the right-of-use asset is set at the same value as the lease liability adjusted for prepaid or accrued lease payments attributable to leases at 31 August 2019. In accordance with the simplified transition method, the comparative year will not be recalculated. The Group has applied the following optional exemptions in the transition calculation. Leases with a remaining term of a maximum of 12 months from the initial application date have been excluded from the calculation of lease liabilities and right-of-use assets, as well as leases

where the underlying asset is of low value. These leases are expensed linearly over the lease term. The accumulated effect of the transition at 1 September 2019 entails an increase in total assets, where right-of-use assets total SEK 792 million and lease liabilities total SEK 792 million. There was no effect on opening equity at 1 September 2019. In future financial statements, lease costs will be recognised as amortisation and interest expenses, which means that this changed accounting policy will have a positive impact on operating profit. Cash flow from operating activities will be positively impacted by the change and cash flow from financing activities will be negatively impacted as amortisation of the lease payments will be recognised as disbursements under financing activities.

In future reports, adjustments in accordance with IFRS 16 will be made at the overall Group level and will not affect presentation of the Group's operating segments.

The Board of Directors assures that this Year-End Report provides a true and fair view of the parent company's and the group's operations, financial position and performance, and describes the material risks and uncertainties faced by the parent company and the other group companies.

Sälen, 3 October 2019

Eivor Andersson  
Chairman of the Board

Mats Årjes  
Board Member & CEO

Lena Apler  
Board Member

Sara Karlsson  
Board Member

Fredrik Paulsson  
Board Member

Patrik Svärd  
Employee Representative

This information is information that SkiStar AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act.

The information was submitted for publication, through the agency of the contact persons set out above, at 3 October 2019, 07.30 a.m. CET.

This Year-End Report has not been subject to review by the company's auditor.

## SKISTAR IN BRIEF

SkiStar is listed on the Nasdaq Mid Cap, Stockholm. The Group owns and operates alpine destinations in Sälen, Åre, Vemdalen and Hammarbybacken (Stockholm) in Sweden, Hemsedal and Trysil in Norway and St. Johann in Tirol in Austria. Market share is 50% in Sweden, 30% in Norway and 41% in Scandinavia. The Group's core business is alpine skiing, with a focus on the guests' overall skiing experience. Operations are divided into two segments: Operation of Ski Resorts and Property Development & Exploitation. As the leading operator of European Alpine destinations, SkiStar's business concept is to provide memorable winter experiences, offering value for guests, employees and other interested parties, which, in turn, creates value for our shareholders. The Group's business model and fundamental strategy are based on offering the entire range of accommodation at all of SkiStar's destinations through one distribution channel, thereby ensuring a high occupancy level and providing the conditions to maximise the sale of SkiPasses. In order to achieve this, SkiStar strives to guarantee that all operators at its destinations offer a product and a service of such quality that this results in satisfied, returning guests. Sales of SkiPasses are the most significant value driver in SkiStar's operations.

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